

VZCZCXRO7598  
RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV RUEHSR  
DE RUEHCP #0213 1261209  
ZNR UUUUU ZZH  
R 061209Z MAY 09  
FM AMEMBASSY COPENHAGEN  
TO RUEHC/SECSTATE WASHDC 4942  
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE

UNCLAS COPENHAGEN 000213

SIPDIS

E.O. 12958: N/A  
TAGS: [PINR](#) [ECON](#) [ELAB](#) [DA](#)

SUBJECT: DENMARK'S EXPERIENCE WITH MIGRATION IN EUROPE  
PROMPTED BY THE FINANCIAL CRISIS (C-RE9-00762)

REF: STATE 43864

¶1. The Confederation of Danish Industry (the functional equivalent of the U.S. Chamber of Commerce) estimates that 30,000 migrant laborers work in Denmark. The overwhelming majority of this group are Polish nationals engaged in skilled and unskilled construction work. There is no evidence to suggest that this number has fluctuated greatly since the onset of the economic downturn, though the construction industry has been among the hardest-hit sectors.

¶2. Observers attribute Denmark's smooth labor relations regarding migrant workers to a provisional five-year migrant labor law enacted in 2004 by the Danish parliament that required Danish firms to afford the same pay and treatment to migrant workers as that granted to Danish workers. The five-year duration of the law was fixed deliberately to allow parliament an opportunity to evaluate the effect of EU enlargement on Denmark's labor situation. Denmark's major labor unions were closely consulted prior to the law's passage, and many Polish construction workers have reportedly joined Danish labor unions.

¶3. The provisional five-year migrant labor law expired on May 1, 2009 and we understand that the parliament has no plans to enact follow-on legislation. Some observers suspect that employers may now seek to exert downward pressure on migrant labor wages, particularly for non-unionized unskilled workers. Denmark does not have minimum wage levels, since wages are set through labor accords between employers and labor unions. Local economists have raised a worst-case scenario of a two-tiered labor market consisting of well-paid unionized Danish and foreign workers who in some cases may have to compete with a relatively poorly-paid class of non-unionized migrant workers, a scenario that could result in strikes and labor unrest. Prospects for this scenario are probably highest in the unskilled labor market: the Rockwool Foundation, a well-respected local think-tank, reports that the presence of migrant workers has already decreased wages for unskilled Danish workers by 5.5 percent since 2004.

¶4. In past years, Denmark has experienced few incidents of anti-migrant worker sentiment. There has been no effort from the government to discourage or limit the influx of migrant workers, and no steps to return them to their countries of origin after the onset of the economic downturn. The Rockwool Foundation recently published a study that concluded that migrant labor on average has contributed positively to the Danish economy and that migrant workers add more to the economy than they subtract from it. The Confederation of Danish Industry has reported similar findings.

McCulley